

Comptroller

1 June 1954

Chief, Budget Division

Personnel Strength Report

1. A review of the attached personnel strength report was of considerable interest primarily due to a few minor items which were disclosed in the report. The problem of Headquarters staff employment has been one of considerable question in my mind since it is understood that a number of individuals are budgeted for overseas who are actually working in D. C. It is somewhat difficult, however, to localize some of these problem areas due to the paucity of detailed information in our regular budget material particularly in the overseas area. Further, many items which are budgeted as departmental apparently go to the support of overseas activities. For example, all military personnel in the Office of Training are reflected either at Headquarters or U. S. Field while the attached tabulation indicates that a total of 6 military personnel are actually on overseas assignments. Thus the cost of such personnel should normally be budgeted as overseas expense. It is not known, however, whether these individuals are included in the Office of Training budgets or whether they are now included in DD/P overseas budget.

2. This report clearly brings out when compared to our budgeted figures, that there is absolutely no uniformity in the inclusion or exclusion of any class of employee under the ceiling and therefore disclosed as personnel strength in our regular budget. I had not been aware until just before the last budget hearings that all staff employees were not actually included in our budget as personnel. When the adjustments (so called surfacing) of project personnel were made this last year I was told at that time that these individuals had regular employment and it was further my understanding that because of the character of their employment they should have been included in our personnel ceilings all along. Apparently, however, quite a number of these people were actually staff agents. Thus, we have staff agents under ceiling and staff agents not under ceiling. In the balance of our personnel strength are items which might be subject to some question. Normally, however, it is believed that military personnel and civilian details should be in all instances considered a part of our regular personnel strength. In reviewing the other classes of employees I am not sure what our position should be in connection with contract agents, covert associates and contract employees. Possibly these individuals should be considered under the classification of miscellaneous employment and should be budgeted under 01. Consultant experts and specialists should be budgeted as miscellaneous personal services while foreign nationals should also be budgeted under a miscellaneous category.

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3. Basically, my recommendations in this area are that:

(a) All staff employees regardless of the condition of employment should be budgeted for and included in our personnel statistics as regular employees;

(b) A decision should be made as to whether similar treatment should be given to staff agents and all staff agents should be handled in precisely the same manner either as an exclusion or an inclusion to our regular personnel statistics and related budgets;

(c) Civilian details should be budgeted as personal services in accordance with Bureau of the Budget instructions;

(d) Contract agents, covert associates, contract employees should be budgeted in a similar manner based upon an administrative decision. It appears that this decision might reasonably be made to budget these individuals as miscellaneous personal services costs and that they would then be segregated from regular civilian employment from all personnel reports;

(e) Consultants, experts, and specialists should be budgeted as miscellaneous personal services and should be included as under a separate category in the personnel statistics;

(f) Military personnel should be reported as regular strength. The budget should be related to the reimbursable elements and they should be budgeted under miscellaneous personal services;

(g) The characteristics of career agents appointments are not known. Based upon the circumstances of their employment it is believed that they should be handled either consistently with staff agents or consistently with contract agents.

4. I strongly recommend that a uniform method of budgeting personal services be agreed upon and that personnel strength reports be designed to support that form of budgeting. It is also believed that all the related costs which could be attributed for the payment of employees should be budgeted under the object class 01 and that the Agency should not be in a position of developing a report such as the attached reflecting strength considerably above that which could be financed with the money budgeted under our 01 class. Further, that if it is decided not to budget certain classes of personal services under 01 that specific instructions should be given the statisticians on such classes of personal services and not associate such individuals in any personnel strength report.

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